# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

**2009**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

**A** This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

**B** This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

**C** If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

**D** Check box if filing under:
- [ ] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
SULPHUR SPRINGS BANCSHARES, INC. EMPLOYEE STOCK OWNERSHIP 401(K) PLAN

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 01/01/1991

**2a** Plan sponsor's name and address (employer, if for a single-employer plan)
(Address should include room or suite no.)
SULPHUR SPRINGS BANCSHARES, INC.

201 CONNALLY STREET
SULPHUR SPRINGS, TX 75482

**2b** Employer Identification Number (EIN)
75-0191733

**2c** Sponsor's telephone number
903-885-7523

**2d** Business code (see instructions)
522110

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 07/29/2010 | RICHARD REYNOLDS |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 07/29/2010 | RICHARD REYNOLDS |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

**3a** Plan administrator's name and address (if same as plan sponsor, enter "Same")
SULPHUR SPRINGS BANCSHARES, INC.

201 CONNALLY STREET
SULPHUR SPRINGS, TX 75482

**3b** Administrator's EIN
75-0191733

**3c** Administrator's telephone number
903-885-7523

**4** If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

**a** Sponsor's name

**4b** EIN

**4c** PN

| | | | |
|---|---|---|---|
| **5** | Total number of participants at the beginning of the plan year | **5** | 144 |
| **6** | Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**). | | |
| **a** | Active participants | **6a** | 137 |
| **b** | Retired or separated participants receiving benefits | **6b** | |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 13 |
| **d** | Subtotal. Add lines **6a**, **6b**, and **6c** | **6d** | 150 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | |
| **f** | Total. Add lines **6d** and **6e** | **6f** | 150 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 131 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 0 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2J 2K 2G 2F 2R 2O 2Q

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

**9a** Plan funding arrangement (check all that apply)

| | | |
|---|---|---|
| **(1)** | | Insurance |
| **(2)** | | Code section 412(e)(3) insurance contracts |
| **(3)** | X | Trust |
| **(4)** | | General assets of the sponsor |

**9b** Plan benefit arrangement (check all that apply)

| | | |
|---|---|---|
| **(1)** | | Insurance |
| **(2)** | | Code section 412(e)(3) insurance contracts |
| **(3)** | X | Trust |
| **(4)** | | General assets of the sponsor |

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

| | | |
|---|---|---|
| **(1)** | X | **R** (Retirement Plan Information) |
| **(2)** | | **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary |
| **(3)** | | **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary |

**b General Schedules**

| | | |
|---|---|---|
| **(1)** | X | **H** (Financial Information) |
| **(2)** | | **I** (Financial Information – Small Plan) |
| **(3)** | | ___ **A** (Insurance Information) |
| **(4)** | | **C** (Service Provider Information) |
| **(5)** | | **D** (DFE/Participating Plan Information) |
| **(6)** | | **G** (Financial Transaction Schedules) |

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2009**

**This Form is Open to Public Inspection**

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

**A** Name of plan
SULPHUR SPRINGS BANCSHARES, INC. EMPLOYEE STOCK OWNERSHIP 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
SULPHUR SPRINGS BANCSHARES, INC.

**D** Employer Identification Number (EIN)
75-0191733

## Part I Asset and Liability Statement

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | | |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | | |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | 0 | |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 791472 | 944529 |
| **(2)** U.S. Government securities | 1c(2) | | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | | |
| **(5)** Partnership/joint venture interests | 1c(5) | | |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | 32266 | 21854 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | | |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 2609798 | 4012641 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | 3184336 | 3570317 |
| | **(2)** Employer real property | 1d(2) | | |
| **e** | Buildings and other property used in plan operation | 1e | | |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 6617872 | 8549341 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | | |
| **h** | Operating payables | 1h | | |
| **i** | Acquisition indebtedness | 1i | | |
| **j** | Other liabilities | 1j | | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 0 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 6617872 | 8549341 |

## Part II Income and Expense Statement

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

| | Income | | (a) Amount | (b) Total |
|---|---|---|---|---|
| **a** | **Contributions:** | | | |
| | **(1)** Received or receivable in cash from: **(A)** Employers | 2a(1)(A) | 119534 | |
| | **(B)** Participants | 2a(1)(B) | 308034 | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 427568 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 0 | |
| | **(B)** U.S. Government securities | 2b(1)(B) | 6798 | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | 1623 | |
| | **(E)** Participant loans | 2b(1)(E) | | |
| | **(F)** Other | 2b(1)(F) | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 8421 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| | **(B)** Common stock | 2b(2)(B) | 257320 | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | 84598 | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 341918 |
| | **(3)** Rents | 2b(3) | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | 18081 | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 18081 |

| | | | (a) Amount | (b) Total |
|---|---|---|---|---|
| 2b | (5) Unrealized appreciation (depreciation) of assets: (A) Real estate | 2b(5)(A) | | |
| | (B) Other | 2b(5)(B) | 385980 | |
| | (C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B) | 2b(5)(C) | | 385980 |
| | (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | |
| | (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | |
| | (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | |
| | (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| | (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | 837369 |
| c | Other income | 2c | | |
| d | Total income. Add all **income** amounts in column (b) and enter total | 2d | | 2019337 |
| | **Expenses** | | | |
| e | Benefit payment and payments to provide benefits: | | | |
| | (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 80098 | |
| | (2) To insurance carriers for the provision of benefits | 2e(2) | | |
| | (3) Other | 2e(3) | | |
| | (4) Total benefit payments. Add lines 2e(1) through (3) | 2e(4) | | 80098 |
| f | Corrective distributions (see instructions) | 2f | | |
| g | Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h | Interest expense | 2h | | |
| i | Administrative expenses: (1) Professional fees | 2i(1) | | |
| | (2) Contract administrator fees | 2i(2) | | |
| | (3) Investment advisory and management fees | 2i(3) | 7770 | |
| | (4) Other | 2i(4) | | |
| | (5) Total administrative expenses. Add lines 2i(1) through (4) | 2i(5) | | 7770 |
| j | Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 87868 |
| | **Net Income and Reconciliation** | | | |
| k | Net income (loss). Subtract line 2j from line 2d | 2k | | 1931469 |
| l | Transfers of assets: | | | |
| | (1) To this plan | 2l(1) | | |
| | (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

**(1)** [X] Unqualified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [ ] Yes [X] No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

**(1)** Name: PAYNE SMITH & JONES PC **(2)** EIN: 75-2659163

**d** The opinion of an independent qualified public accountant is **not attached** because:

**(1)** [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

## Part IV Compliance Questions

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** | Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 4a | | X | |
| **b** | Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) | 4b | | X | |
| **c** | Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | 4c | | X | |
| **d** | Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | 4d | | X | |
| **e** | Was this plan covered by a fidelity bond? | 4e | X | | 1000000 |
| **f** | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | |
| **g** | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | | X | |
| **h** | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4h | | X | |
| **i** | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | 4i | X | | |
| **j** | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) | 4j | | X | |
| **k** | Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | | X | |
| **l** | Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| **m** | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | X | |
| **n** | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | 4n | | | |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

| **5b(1)** Name of plan(s) | **5b(2)** EIN(s) | **5b(3)** PN(s) |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2009**

**This Form is Open to Public Inspection.**

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

**A** Name of plan
SULPHUR SPRINGS BANCSHARES, INC. EMPLOYEE STOCK OWNERSHIP 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
SULPHUR SPRINGS BANCSHARES, INC.

**D** Employer Identification Number (EIN)
75-0191733

## Part I Distributions

**All references to distributions relate only to payments of benefits during the plan year.**

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1** 80098

**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 06-1427369

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

**3** Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. ..... **3**

## Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**If the plan is a defined benefit plan, go to line 8.**

**5** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

**6** **a** Enter the minimum required contribution for this plan year ..... **6a**

**b** Enter the amount contributed by the employer to the plan for this plan year ..... **6b**

**c** Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) ..... **6c**

**If you completed line 6c, skip lines 8 and 9.**

**7** Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**8** If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

## Part III Amendments

**9** If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

## Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☒ **No**

**11** **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☒ **No**

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☒ **No**

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☒ **Yes** ☐ **No**

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

| | | |
|---|---|---|
| **a** The current year | **14a** | |
| **b** The plan year immediately preceding the current plan year | **14b** | |
| **c** The second preceding plan year | **14c** | |

**15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

| | | |
|---|---|---|
| **a** The corresponding number for the plan year immediately preceding the current plan year | **15a** | |
| **b** The corresponding number for the second preceding plan year | **15b** | |

**16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

| | | |
|---|---|---|
| **a** Enter the number of employers who withdrew during the preceding plan year | **16a** | |
| **b** If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers | **16b** | |

**17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

## Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

**18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

**19** If the total number of participants is 1,000 or more, complete items (a) through (c)

**a** Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

**b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

***SULPHUR SPRINGS BANCSHARES, INC.***
***EMPLOYEE STOCK OWNERSHIP***
***401(k) PLAN***

**Financial Statements and**
**Supplemental Schedule**

**December 31, 2009 and 2008**

**(With Independent Auditors' Report Thereon)**

***TABLE OF CONTENTS***


| | ***Page*** |
|---|---|
| INDEPENDENT AUDITORS' REPORT | 1 |
| FINANCIAL STATEMENTS | |
| Statement of Net Assets Available for Benefits | 2 |
| Statement of Changes in Net Assets Available for Benefits | 3 |
| Notes to Financial Statements | 4 -6 |
| SUPPLEMENTAL SCHEDULE | |
| Schedule H – Part IV, Line 4 (i) – Schedule of Assets (Held at End of Year) | 8 |

PAYNE & SMITH, LLC
Certified Public Accountants

***Independent Auditors' Report***

To the Sponsor
Sulphur Springs Bancshares, Inc.
Employee Stock Ownership 401(k) Plan
Sulphur Springs, Texas

We were engaged to audit the accompanying statements of net assets available for benefits of the Sulphur Springs Bancshares, Inc. Employee Stock Ownership 401(k) Plan (the Plan) as of December 31, 2009 and 2008 and the related statements of changes in net assets available for benefits as of and for the years then ended, and the supplemental schedule as of and for the year ended December 31, 2009 as listed in the accompanying index. These financial statements and the supplemental schedule are the responsibility of the Plan's management.

As permitted by Section 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Fidelity Investments (Fidelity), the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that Fidelity holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from Fidelity as of and for the years ended December 31, 2009 and 2008, that the information provided to the Plan Administrator by Fidelity is accurate and complete.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

*Payne & Smith, LLC*

July 14, 2010

5952 Royal Lane • Suite 158 • Dallas, TX 75230 •214 / 363-9927• Fax 214 / 363-9980

***SULPHUR SPRINGS BANCSHARES, INC.***
***EMPLOYEE STOCK OWNERSHIP 401(k) PLAN***

STATEMENT OF NET ASSETS
AVAILABLE FOR BENEFITS

December 31, 2009 and 2008

| | 2009 | 2008 |
|---|---|---|
| ASSETS | | |
| Investments at fair market value: | | |
| Interest-bearing cash | $ 944,529 | $ 791,472 |
| Registered investment companies | 4,012,641 | 2,609,798 |
| Employer securities | 3,570,317 | 3,184,336 |
| Total investments at fair market value | 8,527,487 | 6,585,606 |
| Participant loans | 21,854 | 32,266 |
| Total investments | 8,549,341 | 6,617,872 |
| Receivables: | | |
| Other | - | - |
| Total assets | 8,549,341 | 6,617,872 |
| NET ASSETS AVAILABLE FOR PLAN BENEFITS | $ 8,549,341 | $ 6,617,872 |

The accompanying notes are an integral part of these financial statements.

***SULPHUR SPRINGS BANCSHARES, INC.***
***EMPLOYEE STOCK OWNERSHIP 401(k) PLAN***

STATEMENT OF CHANGES IN NET ASSETS
AVAILABLE FOR BENEFITS

For the Years Ended December 31, 2009 and 2008

| | 2009 | 2008 |
|---|---|---|
| ADDITIONS TO NET ASSETS ATTRIBUTED TO: | | |
| Investment income: | | |
| Interest and dividends | $ 350,339 | $ 367,651 |
| Net appreciation (depreciation) in fair value of investments | 1,241,430 | (1,518,741) |
| Total investment income (loss) | 1,591,769 | (1,151,090) |
| Contributions: | | |
| Participant | 308,034 | 293,612 |
| Employer | 119,534 | 110,852 |
| Rollovers from qualified plans and other | - | 33,952 |
| Total contributions | 427,568 | 438,416 |
| Total additions (reductions) | 2,019,337 | (712,674) |
| DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO: | | |
| Benefit payments to participants | 80,098 | 60,072 |
| Investment advisory and other fees | 7,770 | 9,896 |
| Total deductions | 87,868 | 69,968 |
| NET INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS | 1,931,469 | (782,642) |
| NET ASSETS AVAILABLE FOR BENEFITS: | | |
| Beginning of year | 6,617,872 | 7,400,514 |
| End of year | $ 8,549,341 | $ 6,617,872 |

The accompanying notes are an integral part of these financial statements.

## 1. Description of the Plan

The following description of the Sulphur Springs Bancshares, Inc. Employee Stock Ownership 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

### General

The Plan is a defined contribution plan. Specifically, it is an employee stock ownership plan with 401(k) provisions that is intended to invest primarily in Sulphur Springs Bancshares, Inc. (referred to as the Plan Sponsor or Company) common stock and managed investments which are funded by contributions from both the participants and the Plan Sponsor. The Plan was adopted January 1, 1991, and most recently amended effective July 1, 2007, to incorporate certain additional provisions. Employees become eligible for participation at the age of twenty-one and upon entering the first of the month of employment following their respective hire date. The Plan is subject to the requirements of the Employee Retirement Income Security Act of 1974 (ERISA).

### Contributions

For 2009 and 2008, participants may contribute up to 15% of their compensation (as defined) on a tax-deferred basis, subject to certain maximum limitations imposed by the Internal Revenue Code ($15,500 for both 2009 and 2008). The Company may make discretionary matching contributions. During 2009 and 2008, discretionary matching contributions totaled approximately $120,000 and $111,000, respectively. Rollover contributions are allowed only if such contributions will not jeopardize the tax exempt status of the Plan, and may be made prior to meeting the eligibility requirements for participation in the Plan.

### Participant Accounts

Each participant's account is credited with the participant's contribution and an allocation of the Company's discretionary matching contributions (any amount equal to $1.00 for every dollar of salary deferral made up to 8% of the participant's total compensation) and plan earnings and charged with an allocation of plan expenses. Allocations are based on participants' investment elections and earnings or account balances, as defined in the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.

### Vesting

All participant contributions are immediately fully vested and nonforfeitable. The Company discretionary matching contributions vest to participants immediately, and discretionary profit sharing contributions vest on a graduated scale of twenty, forty, sixty, eighty and one hundred percent after one, two, three, four, and five years of service, respectively.

### Investment Options

Participants direct the investment of their contributions and the Company's contributions into various investment options offered by the Plan. The Plan currently offers various pooled separate accounts as investment options for participants, as well as Company stock. At any time, participants may liquidate any mutual fund holdings and invest the funds in cash or a money market investment. Additionally, participants may change their investment options within mutual funds on a quarterly basis. Participants initiate these changes by contacting the Plan's registered investment advisor or the Plan's custodian.

### Participant Loans

Participants may borrow from their accounts an amount not to exceed the lesser of: (a) one-half of the participant's vested account balance or (b) $50,000 reduced by the participant's greatest outstanding loan balance during the 12 months preceding the date of the loan. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates based generally on the prime lending rate. Loans are required to be repaid within 5 years of the date of the loan except in the case of certain loans to acquire a principal residence, which may be repaid over a period not to exceed 10 years. Principal and interest are repaid ratably through payroll deductions.

Payments of Benefits

Payments for benefits under the Plan are recorded when paid. Upon termination of service due to death, disability or retirement, participants may receive a lump sum payment equal to their vested account balance. Participants who are also active employees can request a hardship withdrawal up to their vested account balance, subject to certain conditions and restrictions.

Forfeitures

Forfeitures represent the portion of non-vested account balances of terminated participants. The employer matching forfeiture allocation, if any, is applied to reduce the Company discretionary matching contribution. For the year ended December 31, 2009, there were no forfeited non-vested accounts.

## 2. Summary of Significant Accounting Policies

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Administrative Expenses

Certain administrative functions are performed by officers or employees of the Company. However, such officers and employees receive no compensation from the Plan. Administrative expenses of the Plan are paid by the Company.

Risks and Uncertainties

The Plan provides for various investment options in investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risks associated with investment securities, and the level of uncertainty related to changes in the value of these securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and changes in net assets available for benefits.

Benefits Payable to Terminated Participants

Benefits are recorded when paid.

Investment Valuation and Income Recognition

Investments of the Plan are presented at fair market value (see Note 5). Quoted market prices, if available, are used to value investments.

Dividends are recorded on the ex-dividend date. Purchases and sales of securities are recorded on a trade date basis.

Subsequent Events

The Company has evaluated subsequent events for potential recognition and/or disclosure through July 14, 2010.

## 3. Investment in Employer Securities

The investment in employer securities represents 32,165 shares of the Company's common stock at both December 31, 2009 and 2008, which is recorded at estimated fair market value. The Company obtains an annual valuation of its common stock by an unrelated third party, which has determined the fair value per share to be $111.00 and $99.00 at December 31, 2009 and 2008, respectively.

## 4. Related Party Transactions

Certain Plan investments are shares of pooled separate accounts managed by Fidelity. Fidelity is the custodian as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

## 5. Information Certified by Fidelity (Unaudited)

The Custodian of the Plan has supplied the Plan Sponsor with a certification as to the completeness and accuracy of all investments and related activity, including information presented in the accompanying statements of net assets available for benefits and changes in net assets available for benefits and the supplemental schedule. The certification of the Custodian is in accordance with Section 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

The Plan's investments are held by Fidelity. The following table presents investments that represented 5% or more of the Plan's net assets at December 31, 2009:

| | | |
|---|---|---|
| Fidelity Freedom 2010 Fund | $ | 459,970 |
| Columbia Acorn Select Class Z Fund | $ | 454,758 |

At December 31, 2008, no Plan investments represented 5% or more of the Plan's net assets.

The following table presents investments which appreciated or depreciated in value during the years ended December 31, 2009 and 2008 (including gains and losses in investments bought and sold, as well as held during the year).

| | 2009 | 2008 |
|---|---|---|
| Investments in registered investment companies | $ 855,450 | $ (1,599,153) |
| Employer securities | 385,980 | 80,412 |
| | $ 1,241,430 | $ (1,518,741) |

## 6. Tax Status

The Plan obtained its latest determination letter on October 26, 2000, in which the Internal Revenue Service stated that the Plan was in compliance with the applicable requirements of the Internal Revenue Code. While the Plan was most recently amended July 1, 2007, the Plan Sponsor believes that no events, circumstances, or amendments have changed since the date of the most recent determination letter that would result in non-compliance with the applicable requirements of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying Plan financial statements.

## 7. Plan Termination

While there is no intention to do so, the Company reserves the right to terminate the Plan. In the event of termination of the Plan, the participants become fully vested in their employer contribution balances, and the net assets of the Plan will be distributed to the participants of the Plan in accordance with the provisions of ERISA.

**SUPPLEMENTAL SCHEDULE**

***SULPHUR SPRINGS BANCSHARES, INC.***
***EMPLOYEE STOCK OWNERSHIP 401(k) PLAN***

SCHEDULE H, PART IV, LINE 4 (i) – SCHEDULE OF ASSETS
(HELD AT END OF YEAR)

December 31, 2009

| **Identity of issuer, borrower, lessor or similar party** | **Description of investment** | **Fair value** |
|---|---|---|
| **Registered Investment Companies** | | |
| Fidelity Investments* | 27,408 units Allianz NFJ Dividend Value Fund | $ 284,767 |
| Fidelity Investments* | 7,839 units American Capital World Growth/Income Fund | 266,694 |
| Fidelity Investments* | 8,883 units American Capital World Growth/Income R5 Fund | 302,729 |
| Fidelity Investments* | 19,451 units Columbia Acorn Select Class Z | 454,758 |
| Fidelity Investments* | 15,022 units Fidelity Capital Appreciation | 321,932 |
| Fidelity Investments* | 2,450 units Jenson Portfolio Class J | 59,991 |
| Fidelity Investments* | 22,113 units Royce Premier Fund Investment | 360,657 |
| Fidelity Investments* | 977 units Royce Total Return Fund | 10,560 |
| Fidelity Investments* | 22,120 units Royce Value Plus Service | 248,628 |
| Fidelity Investments* | 3,583 units Royce Total Return Fund | 38,736 |
| Fidelity Investments* | 14,651 units TCW Dividend Focused Fund | 132,444 |
| Fidelity Investments* | 5,128 units Third Avenue Value Fund | 237,549 |
| Fidelity Investments* | 2,413 units Third Avenue Real Estate Value Fund | 49,380 |
| Fidelity Investments* | 1,557 units Value Line Emerging Opportunity Fund | 40,340 |
| Fidelity Investments* | 9,689 units Metropolitan West Low Duration Fund | 77,802 |
| Fidelity Investments* | 25,354 units TCW Total Return Bond Fund | 259,882 |
| Fidelity Investments* | 2,177 units American Capital Income Builder R5 Fund | 104,266 |
| Fidelity Investments* | 329 units American Capital Income Builder Fund | 15,753 |
| Fidelity Investments* | 3,017 units Fidelity Freedom 2040 Fund | 21,601 |
| Fidelity Investments* | 36,768 units Fidelity Freedom 2010 Fund | 459,970 |
| Fidelity Investments* | 15,916 units Fidelity Freedom 2020 Fund | 199,741 |
| Fidelity Investments* | 5,203 units Fidelity Freedom 2030 Fund | 64,461 |
| Participant loans | Interest rates range between 5.00% and 8.25%; maturity dates through September 2012 | 21,854 |
| **Interest-bearing Cash** | | |
| Fidelity Investments* | Fidelity Cash Reserves | 944,529 |
| **Employer Securities** | | |
| Sulphur Springs Bancshares, Inc. | 32,165 shares Sulphur Springs Bancshares, Inc. common stock | 3,570,317 |
| | | $ 8,549,341 |

* Party in interest to the Plan.

The above information, except for $21,854 of participant loans and $3,570,317 of employer securities, has been certified by Fidelity Investments, the Custodian, as complete and accurate.

See accompanying independent auditor's report and notes thereto.

| Form 5500 | Annual Return/Report of Employee Benefit Plan | OMB Nos. 1210-0110 1210-0089 |
|---|---|---|
| Department of the Treasury Internal Revenue Service<br>Department of Labor Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).<br>► **Complete all entries in accordance with the Instructions to the Form 5500.** | **2009**<br>**This Form is Open to Public Inspection** |

## Part I Annual Report Identification Information

**For the calendar plan year 2009 or fiscal plan year beginning** 01/01/2009 **and ending** 12/31/2009

**A** This return/report is for: ☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) _____

**B** This return/report is: ☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).

**C** If the plan is a collectively-bargained plan, check here . . . . . ►☐

**D** Check box if filing under: ☐ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

## Part II Basic Plan Information --- enter all requested information.

**1a** Name of plan
Sulphur Springs Bancshares, Inc. Employee Stock Ownership 401(k) Plan

**1b** Three-digit plan number (PN) ► 001

**1c** Effective date of plan 01/01/1991

**2a** Plan sponsor's name and address (employer, if for a single-employer plan)
(Address should include room or suite no.)
Sulphur Springs Bancshares, Inc.

201 Connally Street

US Sulphur Springs TX 75482

**2b** Employer Identification Number (EIN) 75-0191733

**2c** Sponsor's telephone number (903) 885-7523

**2d** Business code (see instructions) 522110

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

| | | | |
|---|---|---|---|
| SIGN HERE | [signature] | 7/16/10 | Richard Reynolds |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| SIGN HERE | [signature] | | Richard Reynolds |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| SIGN HERE | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |



RECEIVED
JUL 19 2010

| | |
|---|---|
| **3a** Plan administrator's name and address (if same as plan sponsor, enter "Same")<br>Same | **3b** Administrator's EIN<br>**3c** Administrator's telephone number |
| **4** If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:<br>**a** Sponsor's name | **4b** EIN<br>**4c** PN |

| | | |
|---|---|---|
| **5** Total number of participants at the beginning of the plan year | **5** | 144 |
| **6** Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c** and **6d**) | | |
| **a** Active participants | **6a** | 137 |
| **b** Retired or separated participants receiving benefits | **6b** | |
| **c** Other retired or separated participants entitled to future benefits | **6c** | 13 |
| **d** Subtotal. Add lines **6a, 6b** and **6c** | **6d** | 150 |
| **e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | |
| **f** Total. Add lines **6d** and **6e** | **6f** | 150 |
| **g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 131 |
| **h** Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 0 |
| **7** Enter the total number of employers obligated to contribute to the plan (only multiemployer complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2E 2J 2K 2G 2F 2R 2O 2Q

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

| **9a** Plan funding arrangement (check all that apply) | **9b** Plan benefit arrangement (check all that apply) |
|---|---|
| (1) [ ] Insurance | (1) [ ] Insurance |
| (2) [ ] Code section 412(e)(3) insurance contracts | (2) [ ] Code section 412(e)(3) insurance contracts |
| (3) [X] Trust | (3) [X] Trust |
| (4) [ ] General assets of the sponsor | (4) [ ] General assets of the sponsor |

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

| **a** Pension Schedules | **b** General Schedules |
|---|---|
| (1) [X] **R** (Retirement Plan Information) | (1) [X] **H** (Financial Information) |
| (2) [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary | (2) [ ] **I** (Financial Information - Small Plan) |
| | (3) [ ] ____ **A** (Insurance Information) |
| | (4) [ ] **C** (Service Provider Information) |
| (3) [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary | (5) [ ] **D** (DFE/Participating Plan Information) |
| | (6) [ ] **G** (Financial Transaction Information) |

*SULPHUR SPRINGS BANCSHARES, INC.*
*EMPLOYEE STOCK OWNERSHIP 401(k) PLAN*

SCHEDULE H, PART IV, LINE 4 (i) – SCHEDULE OF ASSETS
(HELD AT END OF YEAR)

December 31, 2009

| Identity of issuer, borrower, lessor or similar party | Description of investment | Fair value |
|---|---|---|
| **Registered Investment Companies** | | |
| Fidelity Investments* | 27,408 units Allianz NFJ Dividend Value Fund | $ 284,767 |
| Fidelity Investments* | 7,839 units American Capital World Growth/Income Fund | 266,694 |
| Fidelity Investments* | 8,883 units American Capital World Growth/Income R5 Fund | 302,729 |
| Fidelity Investments* | 19,451 units Columbia Acorn Select Class Z | 454,758 |
| Fidelity Investments* | 15,022 units Fidelity Capital Appreciation | 321,932 |
| Fidelity Investments* | 2,450 units Jenson Portfolio Class J | 59,991 |
| Fidelity Investments* | 22,113 units Royce Premier Fund Investment | 360,657 |
| Fidelity Investments* | 977 units Royce Total Return Fund | 10,560 |
| Fidelity Investments* | 22,120 units Royce Value Plus Service | 248,628 |
| Fidelity Investments* | 3,583 units Royce Total Return Fund | 38,736 |
| Fidelity Investments* | 14,651 units TCW Dividend Focused Fund | 132,444 |
| Fidelity Investments* | 5,128 units Third Avenue Value Fund | 237,549 |
| Fidelity Investments* | 2,413 units Third Avenue Real Estate Value Fund | 49,380 |
| Fidelity Investments* | 1,557 units Value Line Emerging Opportunity Fund | 40,340 |
| Fidelity Investments* | 9,689 units Metropolitan West Low Duration Fund | 77,802 |
| Fidelity Investments* | 25,354 units TCW Total Return Bond Fund | 259,882 |
| Fidelity Investments* | 2,177 units American Capital Income Builder R5 Fund | 104,266 |
| Fidelity Investments* | 329 units American Capital Income Builder Fund | 15,753 |
| Fidelity Investments* | 3,017 units Fidelity Freedom 2040 Fund | 21,601 |
| Fidelity Investments* | 36,768 units Fidelity Freedom 2010 Fund | 459,970 |
| Fidelity Investments* | 15,916 units Fidelity Freedom 2020 Fund | 199,741 |
| Fidelity Investments* | 5,203 units Fidelity Freedom 2030 Fund | 64,461 |
| Participant loans | Interest rates range between 5.00% and 8.25%; maturity dates through September 2012 | 21,854 |
| **Interest-bearing Cash** | | |
| Fidelity Investments* | Fidelity Cash Reserves | 944,529 |
| **Employer Securities** | | |
| Sulphur Springs Bancshares, Inc. | 32,165 shares Sulphur Springs Bancshares, Inc. common stock | 3,570,317 |
| | | $ 8,549,341 |

***** Party in interest to the Plan.

The above information, except for $21,854 of participant loans and $3,570,317 of employer securities, has been certified by Fidelity Investments, the Custodian, as complete and accurate.

See accompanying independent auditor's report and notes thereto.